

Message Text

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ACTION ARA-10

INFO OCT-01 AF-08 EUR-12 EA-07 NEA-10 IO-13 ISO-00 SP-02
USIA-06 AID-05 EB-07 NSC-05 CIEP-01 TRSE-00 SS-15
STR-04 OMB-01 CEA-01 L-03 H-01 PA-01 PRS-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 AGRE-00 /134 W

----- 109911 /53

R 111513Z DEC 76
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 5960
INFO USMISSION OECD PARIS
AMEMBASSY ALGIERS
AMEMBASSY JIDDA
AMEMBASSY BUENOS AIRES
AMEMBASSY BRASILIA
AMEMBASSY YAOUNDE
AMEMBASSY NEW DELHI
AMEMBASSY JAKARTA
USINT BAGHDAD
AMEMBASSY TEHRAN
AMEMBASSY KINGSTON
AMEMBASSY MEXICO CITY
AMEMBASSY LAGOS
AMEMBASSY ISLAMABAD
AMEMBASSY LIMA
AMEMBASSY CAIRO
AMEMBASSY BELGRADE
AMEMBASSY LUSAKA
AMEMBASSY KINSHASA
USMISSION USUN NEW YORK
USDEL MTN GENEVA
AMEMBASSY CANBERRA
AMEMBASSY OTTAWA
AMEMBASSY TOKYO
AMEMBASSY MADRID
AMEMBASSY STOCKHOLM
AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY ROME
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
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AMEMBASSY LUXEMBOURG

AMEMBASSY LONDON
AMEMBASSY THE HAGUE
AMEMBASSY PARIS
AMEMBASSY BRUSSELS
USMISSION EC BRUSSELS

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E.O. 11652: N/A
TAGS: CIEC, ENRG
SUBJECT: PEREZ GUERRERO ANNOUNCES POSTPONEMENT OF CIEC
MINISTERIAL

REF: OECD PARIS 36713

1. SUMMARY. ON DECEMBER 9 PEREZ GUERRERO ANNOUNCED TO THE PRESS THAT THE CIEC MINISTERIAL MEETING HAD BEEN POSTPONED UNTIL THE FIRST PART OF NEXT YEAR AT THE INITIATIVE OF THE GROUP OF 8 WHICH, HE SAID, WERE NOT IN A POSITION TO ASSURE A SUCCESSFUL OUTCOME. IN ADDITION TO A FORMAL PRESS STATEMENT, PEREZ GUERRERO ANSWERED QUESTIONS FROM THE PRESS. HE PLACED THE BLAME FOR LACK OF PROGRESS SQUARELY ON THE SHOULDERS OF THE INDUSTRIALIZED COUNTRIES BUT, IN VARYING DEGREES, EXCEPTED SWEDEN, THE NETHERLANDS, FRANCE AND CANADA. HE SAID THAT, WHILE THERE WAS NO "ORGANIC" CONNECTION BETWEEN CIEC AND OPEC, OPEC HAS USED ITS POWER TO ADVANCE THE INTERESTS OF ALL LDCS. PEREZ GUERRERO'S REMARKS SEEMED DELIBERATELY RESTRAINED PERHAPS IN ORDER TO GIVE THE CARTER ADMINISTRATION A CHANCE TO FORMULATE ITS POSITIONS. END SUMMARY.

2. DR. MANUEL PEREZ GUERRERO, MINISTER OF STATE FOR INTERNATIONAL ECONOMIC AFFAIRS, CALLED A PRESS CONFERENCE IN HIS OFFICE ON DECEMBER 9 TO ANNOUNCE THE POSTPONEMENT OF THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION (CIEC), WHICH HAD BEEN SCHEDULED FOR DECEMBER 15 - 17. PEREZ GUERRERO MADE A FORMAL ANNOUNCEMENT: THE TEXT OF WHICH WAS PREVIOUSLY FORWARDED IN REFTEL.

3. AFTER THE FORMAL STATEMENT PEREZ GUERRERO ANSWERED QUESTIONS FROM THE PRESS. ASKED WHETHER THERE HAD BEEN PROGRESS DURING THE CIEC MEETINGS, PEREZ GUERRERO SAID THERE HAD BEEN NONE AT ALL OTHER THAN THE PROGRESS WHICH HAD OCCURRED IN THE LIMITED OFFICIAL USE

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ORGANIZATION OF THE CONFERENCE ITSELF. IN REALITY, HE SAID, WE WERE HEADED FOR FAILURE AND WERE NOT DISPOSED TO DISGUISE IT WITH ANY SORT OF FICTICIOUS OR IMAGINARY SUCCESS. A SUCCESSFUL RESULT WILL BE DECLARED ONLY IF REAL AND MATERIAL RESULTS ARE ACHIEVED WHICH WILL CONTRIBUTE TO THE DEVELOPMENT OF THE COUNTRIES OF THE THIRD WORLD. IN RESPONSE TO ANOTHER QUESTION, PEREZ GUERRERO SAID THAT NO SPECIFIC DATE FOR THE MINISTERIAL MEETING COULD BE ANNOUNCED UNTIL AFTER CONSULTATIONS WITH PARTICIPATING

COUNTRIES, BUT IT MIGHT BE MARCH OR APRIL.

4. PEREZ GUERRERO REAFFIRMED THAT THE NEGOTIATING LEVERAGE OF THE THIRD WORLD WOULD BE USED TO STIMULATE DIALOGUE RATHER THAN CONFRONTATION. HE RECOGNIZED EFFORTS OF INDIVIDUAL COUNTRIES TO CLARIFY THEIR POSITIONS IN MEETINGS SUCH AS THAT AT THE HAGUE AMONG EC MEMBERS AND THAT OF INDUSTRIALIZED COUNTRIES IN PUERTO RICO, BUT COMMENTED THAT THE ONLY WAY TO RESOLVE THE ISSUES WAS WITH THE PARTICIPATION OF DEVELOPING COUNTRIES. ASKED WHY THE INDUSTRIALIZED COUNTRIES HAD LACKED POLITICAL WILL, PEREZ GUERRERO RESPONDED THAT RICH COUNTRIES LIKE RICH PEOPLE ARE NEVER SPONTANEOUSLY DISPOSED TO CONTRIBUTE TO THE RELIEF OF THE POOR. THIS, HE SAID, IS A FACT DEMONSTRATED THROUGHOUT HISTORY, BOTH WITH RESPECT TO INTERNAL AND INTERNATIONAL QUESTIONS. WE MUST CONVINCE OUR FIRENDS AND COMMERCIAL PARTNERS IN THE INDUSTRIALIZED COUNTRIES THAT IT IS IN THEIR OWN INTEREST TO BE MORE FORTHCOMING THAN HAS BEEN THE CASE UP TO NOW, HE SAID, IN ORDER TO ASSURE A MORE SOLID BASE FOR OUR POSTERITY.

5. ASKED IF THE LACK OF PROGRESS IN THE NORTH-SOUTH CONFERENCE WOULD HAVE AN EFFECT ON DECISIONS BY OPEC, PEREZ GUERRERO RESPONDED THAT THERE IS NO ORGANIC RELATIONSHIP BETWEEN CIEC AND OPEC; NEVERTHELESS, THE TWO ARE INTER-RELATED. OPEC, HE SAID, IS ACTING PRUDENTLY IN ORDER NOT TO MAKE ANY PRECIPITATE DECISIONS. BOTH OPEC AND THE REST OF THE DEVELOPING WORLD ARE AGREED ON THIS. IT PROVIDED HIM GREAT SATISFACTION, HE SAID, AS COORDINATOR OF THE GROUP OF 19, THAT BOTH OPEC MEMBERS AND OTHER DEVELOPING COUNTRIES ARE WORKING TOGETHER DRAWING CONCLUSIONS WITHOUT DISTINGUISHING ONE GROUP FROM THE OTHER. OPEC MEMBERS UNDERSTAND THAT WITHOUT WISHING TO REPLACE THE RICH COUNTRIES THEY HAVE THE DUTY OF MAINTAINING SOLIDARITY WITH POORER COUNTRIES WHICH DO NOT HAVE PETROLEUM.

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6. COMMENTING ON DIFFERENCE IN THE GROUP OF 8 IN THEIR WILLINGNESS TO MAKE CONCESSIONS, PEREZ GUERRERO EMPHASIZED THAT SWEDEN WITHOUT A DOUBT HAD DEMONSTRATED MUCH GREATER RECEPTIVITY TO THE POSITIONS OF THE THIRD WORLD. WITHIN THE EUROPEAN ECONOMIC COMMUNITY, HE MENTIONED THE NETHERLANDS AND FRANCE AS PARTICULARLY RECEPTIVE. HE ALSO MENTIONED CANADA AS BEING COOPERATIVE, ABOVE ALL, THROUGH MR. MACEACHEN.

7. A REPORTER REFERRED TO A RECENT STATEMENT BY PRIME MINISTER CASTRO OF CUBA CRITICIZING SOME MEMBERS OF OPEC AS LACKING A COMMITMENT TO USE PETROLEUM AS AN INSTRUMENT TO OBTAIN BENEFITS FOR THE THIRD WORLD, WHILE OTHERS (CASTRO MENTIONED VENEZUELA) WERE WILLING. THE REPORTER ASKED WHETHER THERE IS REALLY A CONSENSUS WITHIN OPEC TO SUPPORT THE NEGOTIATIONS, AND WHETHER IT HAD GROWN OR SUFFERED EROSION. PEREZ GUERRERO RESPONDED THAT ALL

MEMBERS OF OPEC STRONGLY SUPPORT USE OF OPEC INFLUENCE IN FAVOR OF THE THIRD WORLD. WE DO THIS, HE SAID, TO PROMOTE SOLIDARITY, WHICH WE RECOGNIZE AS BEING IN THE INTEREST OF EVERYONE, INCLUDING THE OPEC COUNTRIES.

8. COMMENT. THE EMBASSY HAS THE IMPRESSION THAT PEREZ GUERRERO'S COMMENTS WERE DELIBERATELY MODERATE AND RESTRAINED. HE YIELDED NO GROUND IN HIS CRUSADE FOR COMPREHENSIVE, MAJOR CONCESSIONS BY INDUSTRIALIZED COUNTRIES, BUT AVOIDED ANY SIGN OF BITTERNESS OR FRUSTRATION OVER POSTPONEMENT OF THE MINISTERIAL MEETING. HE ALSO APPEARED TO BACK AWAY FROM LINKING LACK OF PROGRESS AT CIEC AND OPEC OIL PRICE INCREASES, AS THREATENED BY PRESIDENT PEREZ DURING HIS RECENT TRIP ABROAD. IT SEEMS CLEAR TO US THAT PEREZ GUERRERO IS HOLDING BACK, PROBABLY SO AS NOT TO ANTAGONIZE THE CARTER ADMINISTRATION AND TO GIVE IT A CHANCE TO SHOW ITS COLORS ON CIEC. END COMMENT.
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